



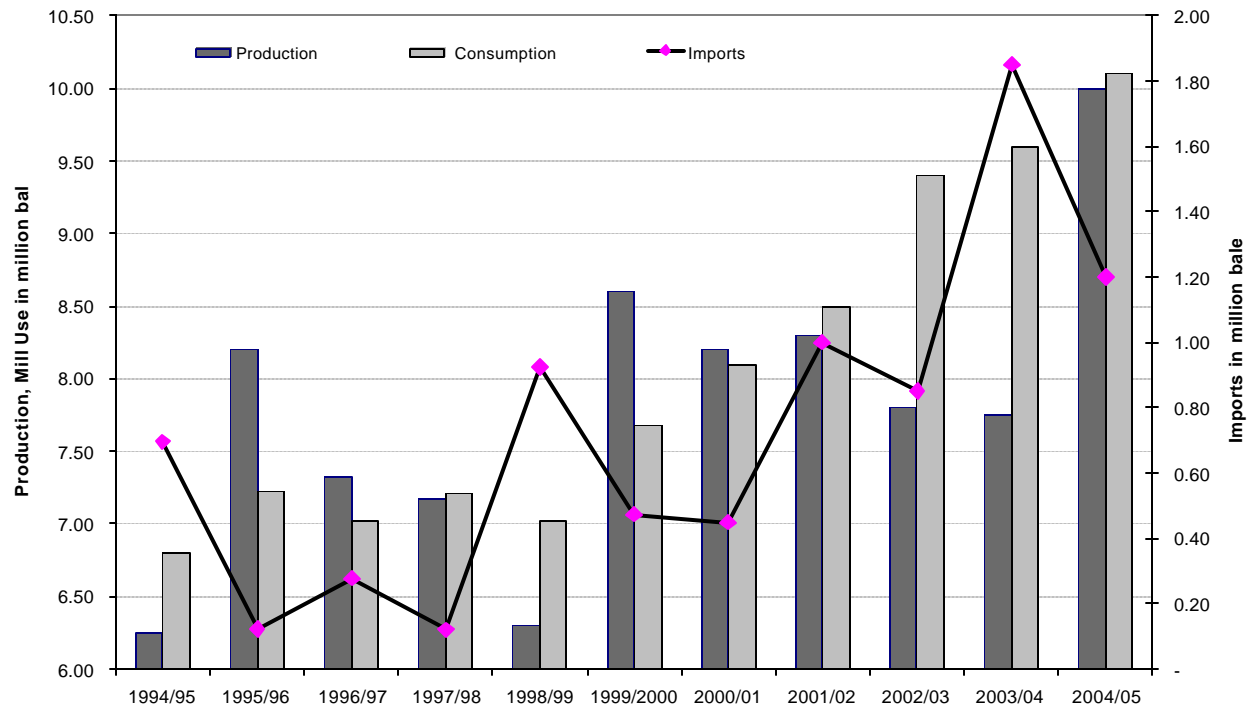
United States
Department of
Agriculture

Foreign
Agricultural
Service

Circular Series
FC-12-04
December 04

Cotton: World Markets and Trade

Pakistan Production and Mill Use Hit Records



According to newly available USDA data, Pakistan's cotton production and consumption are expected to hit historic highs in MY 2004/05. Production is forecast at 10 million bales, up 29 percent from the previous year. Consumption is forecast at 10.1 million bales, up 5 percent from the previous year.

Pakistan is the fourth largest cotton producer in the world with an average crops of 8 million bales a year. This year's record crop is mostly due to favorable weather conditions and below average pest infestation. The average yield has reached 1.3 bales per acres which is the highest in recent years.

Pakistan imports about one million bales of cotton per year for its textile and apparel industries. Most imported cotton comes from the United States. The record forecast mill use continues the recent growth trend, which is up 5 percent from last season and 25 percent from 2000/01. Pakistan has aggressively prepared to compete in the world textile and apparel markets. Its apparel and textile exports increased by 116 percent between MY 2001/02 to MY 2003/04. During the same period, Pakistani exports of cotton fabric also grew 26 percent. Many experts believe Pakistan's low cost of production will allow it to come out a "winner" when quotas governed by the Multi-Fiber Arrangement expire December 31.

Pakistan's expansion in mill use is likely to continue at least into the near future. Cotton production, however, is more likely to fluctuate, since the current record production is a product of uncontrollable elements such as weather. Pakistan is likely to continue to need imported cotton, especially from the United States.